

# **BIOTECHNOLOGY ADVISORY COMMITTEE RECOMMENDATIONS**

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# Key Topics for Recommendations

- Corporate Tax Treatment
- Education and Workforce
- Regulatory Barriers
- Public-Private Collaboration
- State Strategy
- Technology Transfer

# Reevaluate Corporate Tax Treatment

- Reevaluate policy assumption that tax incentives are unnecessary for stimulating economic growth.
- Consider providing subsidies or other tax and financial incentives for businesses to move to and stay in California.
- Restore Net Operating Loss (NOL) recognition and carryovers to 100%
- Reinstate a manufacturers' investment credit
- Continue the R&D tax credit
- Place tax burden on companies that are more mature and profitable
- Incentivize R&D firms - If they become profitable, they can be taxed at that time, thus, allowing funds to go back into state and local government treasuries as payback for benefit given to them to establish and grow

# Invest in a Skilled and Well-Educated Workforce

- The State should develop and adopt an ***action plan*** that continues funding of and advances education for the life sciences sector:
  - Focus should be on preparing adequate human capital, tax and investment incentives using models from other states, and specific infrastructure improvements
  - UC system needs to develop a long-term strategic plan to better respond to the state's workforce needs in biotech and to remain relevant
  - Education curriculum should connect with workforce demands, encouraging internships, practical placement approaches and industry/education/government cooperation

# Reduce Regulatory Costs and Barriers

- Regulatory process should be reformed to allow electronic submission of regulatory forms
- Federal level: NIH regulatory affairs program needs more trained professionals who will strengthen negotiation, strategic planning, and technology integration
- Regulatory process should drive the positioning and packaging of innovative data throughout the product life cycle and its importance recognized
- Encourage certificate programs in regulatory affairs, with associated cooperative programs to drive the practical integration of the technical disciplines with the regulatory process

# Focus on Public-Private Collaboration

- Create a permanent advisory group to represent the biotech sector's unified needs
- Increase communication between trade associations, industry groups, and state representatives to foster ongoing dialogue and incentives for the biosciences industry
- Encourage entrepreneurial spirit, e.g. create a Governor's "Entrepreneur of the Year" award for the life sciences industry

# Formally Adopt a Statewide Comprehensive Biotech Strategy

- Adopt the biotech strategy plan that the industry has created-- *"Taking Action for Tomorrow: California Life Sciences Action Plan"*
- Acknowledge the importance of the biotech sector beyond simply adopting a formal policy.
  - The state should seriously consider prioritizing future available funds to encourage and nurture the biotech sector.
- Immediately implement action plan directives that don't involve a cost to the state:
  - Zone for biotech regions, i.e. tie to general planning standards without incurring new administrative costs.

# Formally Adopt a Statewide Comprehensive Biotech Strategy (cont.)

- Expand uses of the California Infrastructure and Economic Development Bank, e.g. broaden definitions and expand current projects
- Harmonize some state and federal processes, making them electronic and simultaneous, e.g. cost of harmonization discussion administratively with the federal government is more than made up for in the savings in redundant regulatory bodies
- Develop a Science Fellows program for the legislature funded by private sector and nonprofit organizations, e.g. program would be partially funded by the Gordon and Betty Moore Foundation with balance of funding raised from the private sector
- Create a new Science and Technology Trust. This is intended to be a reorganization of state assets, without new cost



# Improve University of California's Technology Transfer System

- Increase funding to the UC Discovery Grants Program
- Work closely with the regulatory initiatives cited earlier to familiarize the UC technology transfer system with the realistic needs of the biotechnology product development life cycle